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HAWAIIAN SUGAR BOUNTIES

—AND—

TREATY ABUSES

WHICH

Defraud the U. S. Revenue, Oppress American Consumers and Tax-payers, Discriminate against other Sugar-Producing Countries, and

Endanger American Sugar Industries.

STATEMENTS MADE TO CONGRESS

—BY—

HENRY A. BROWN,

Ex-Special Treasury Agent, U. S., Saxonville, Mass.

JANUARY, 1883.

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1883.

STATEMENTS MADE TO CONGRESS

In relation to Importations of Hawaiian Sugars Duty Free, falsely claimed to be "Muscovado, Brown, and Unrefined Sugars, commonly known as Sandwich Island Sugars," prior to the Reciprocity Treaty of 1875-'6.

By HENRY A. BROWN, Ex-Special United States Treasury Agent.

The language of the treaty with Hawaii in regard to the kinds of sugar exempted from duty thereby, is plain.

The treaty of 1875, carried into effect September 9th, 1876, with Hawaii, exempts only "muscovado, brown, and all other unrefined sugar, meaning thereby the grades of sugar heretofore commonly imported from the Hawaiian Islands, and now (1875) known in the markets of San Francisco and Portland as Sandwich Island sugars." (See Supt. R. S., Vol. I, pp. 629.)

Whether or no vacuum pans and centrifugal machines may have been known and used in advancing sugars in Hawaii for two or three years prior to the treaty, is not of the slightest importance, being no proof that such sugars are exempted from duty by the treaty of 1875.

The manufactured sugars, now constituting more than 80 per cent of the entries from Hawaii, were never commonly imported and known in the markets of San Francisco and Portland as "muscovado, brown, and other unrefined Sandwich Island sugars" prior to the treaty of 1875.

Official dereliction of duty in not levying duty on semi-refined sugars imported from Hawaii, cannot be whitewashed with the pretence that a few centrifugal machines had been set up on Hawaiian plantations two or three years prior to the treaty of 1875.

What are known to-day as vacuum-pan centrifugal sugars in our markets were virtually unknown to the planters in Hawaii prior to the treaty, when, according to Mr. Allen, the Hawaiian Minister, "most of the Hawaiian planters became bankrupt, causing general bankruptcy and ruin to almost every one who had become interested in the production of sugar." (See pp. 39 minutes hearing before Com. For. Affairs, Feb. 17th, 1882.)

Custom and habit too often usurp the place of law in the custom-house routine of dealing with imported merchandise, both free and dutiable. This is clearly evidenced in the fact that, while the treaty of 1875 exempted only "muscovado, brown, and all other

unrefined sugar ;” customs officials have, almost without exception admitted every grade of sugar that claimed free entry since the treaty, until refined vacuum-pan crystals have virtually superseded the formerly commonly known and imported sugars exempted by the treaty with Hawaii, as I shall presently show in official classifications.

There is no authentic evidence that the Treasury Department or the Collector of Customs at San Francisco had any knowledge at the time of said treaty that vacuum-pan sugars were made in Hawaii and sent to this country as “ muscovado, brown, and other unrefined sugars, such as were *commonly known* in the markets of San Francisco and Portland as Sandwich Island sugars,” prior to the treaty of 1875 ; neither does the treaty exempt any sugars, except the sugars thus definitely named therein.

Vacuum-pan sugars were not considered or covered by the treaty of 1875. It matters not that a moiety of light-colored, drained sugars were made in the Islands prior to the treaty. Such sugars bore no semblance, except in being called sugar, to the vacuum-pan sugars now manufactured in Hawaii, and commonly imported under the treaty, but which have no claim thereby to be admitted free of duty.

The following letter, addressed to the Committee on Foreign Affairs, shows conclusively that the Treasury Department has no official knowledge that any but raw muscovado sugars were imported from Hawaii before the treaty of 1875 ; neither is it possible, at this late date, for official opinions and reports to prove that vacuum-pan crystals claimed to have been made in Hawaii before the treaty were “ muscovado, brown, and other unrefined sugars,” or that the vacuum-pan sugars now imported were the grades “ commonly imported ” from Hawaii, and known in the markets of San Francisco and Portland as Sandwich Island sugars prior to the treaty of 1875 :

TO THE COMMITTEE ON FOREIGN AFFAIRS,
House of Representatives.

HON. C. G. WILLIAMS, *Chairman*.

DEAR SIR : I have the honor to ask your attention to the following statements relating to the *Hawaiian Reciprocity Treaty*, and methods employed to continue the same, against public interests.

Having failed to impress the people in the slightest degree with the belief that it is their interest to be robbed by the Hawaiian Treaty, the San Francisco Merchant, the leading organ of the Spreckels dynasty, has not only resorted to fiction, but presented serious matter for the investigation of Congress. The “ Merchant ” of April 14th ult., claims in substance, as you doubtless are aware, that 88 per cent. of the sugars imported from the Hawaiian Islands in 1875, were vacuum-pan crystals from above No. 13 D. S.,

to No. 20 D. S. in color, and that those sugars were exempt as "muscovado, brown, and other unrefined sugars commonly known in the markets of San Francisco and Portland as Sandwich Island sugars."

Passing over the random fictitious pretense that vacuum pans were generally used by the impoverished planters of Hawaii prior to the treaty of 1875, and making due allowance for the fact that the Spreckels dynasty is playing for high stakes, amounting to from five to six millions of dollars profit per annum, wrung from consumers of sugars, we reach the following table copied from the "Merchant," which claims to represent the official classification of Hawaiian sugars in 1875, while prudently forgetting to give the official values for each grade, and omitting the signature of the official tabulator.

The "Merchant's" "Table, showing importations of Hawaiian sugars at the port of San Francisco for the calendar year 1875, (the year prior to the Reciprocity Treaty), according to grades, from custom-house returns," is as follows:

Grade.	1875.	Ratio.
Not above No. 7-----	147,899 lbs.	1 per cent.
No. 7 to No. 10-----	320,680 "	2 " "
No. 10 to No. 13-----	1,739,668 "	9 " "
No. 13 to No. 16-----	15,543,062 "	82 " "
No. 16 to No. 20-----	1,158,748 "	6 " "

Not only is the above table an absurdity on its face, but never in any year in the history of sugar imports from the Sandwich Islands, has there been anything like an approximation to the above fictitious percentage of grades entered as "Sandwich Island sugars," etc., above No. 13 to No. 20 D. S. in color; neither do any such official classifications of Hawaiian sugars in 1875 exist in the published official records of the Treasury Department, which statement is proved in the following Exhibit from the Bureau of Statistics:

STATEMENT showing the QUANTITIES and VALUES of BROWN SUGAR IMPORTED from the Hawaiian Islands into the United States, from 1868 to 1876, inclusive.

YEAR ENDED JUNE 30—	SUGAR, DUTCH STANDARD IN COLOR.							
	All not above No. 12.		Above No. 12 and not above No. 15.		Above No. 15 and not above No. 20.		TOTAL.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
1867.....	9,353,230	443,464	5,821,172	341,020	22,659	1,608	15,197,061	786,092
1868.....	12,622,159	579,756	5,591,842	375,247	27,061	1,895	18,241,062	956,898
1869.....							16,314,482	1,087,433
1870.....							14,016,181	901,645
1871.....							15,018,469	935,909
1872.....							15,357,784	923,441
1873.....	No official report of classification						15,743,146	934,824
1874.....							13,575,674	740,786
1875.....							17,888,000	938,676
1876.....							20,978,374	1,051,987

STATEMENT showing the QUANTITIES and VALUES of BROWN SUGAR IMPORTED from the Hawaiian Islands and ENTERED for CONSUMPTION in the United States, from 1877 to 1882, inclusive.

[Free of duty under reciprocity treaty, act of Congress approved August 15, 1876, which went into effect September 9, 1876.]

SUGAR, DUTCH STANDARD IN COLOR.										
YEAR ENDED JUNE 30—	About No. 7 and not above No. 10.		Above No. 10 and not above No. 13.		Above No. 13 and not above No. 16.		Above No. 16 and not above No. 20.		TOTAL.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
1877.....	3,980,804	230,155	11,291,315	751,490	10,183,556	737,525	5,186,406	426,303	30,642,081	2,198,473
1878.....	2,437,920	161,922	10,805,283	757,734	12,227,780	963,550	4,897,315	391,224	30,368,328	2,274,430
1879.....	8,174,146	501,850	16,615,686	1,069,161	15,670,564	1,118,118	1,232,673	92,061	41,693,069	2,811,193
1880.....	7,793,349	450,030	28,416,596	1,892,737	23,868,886	1,689,061	1,177,493	103,659	61,556,324	4,135,487
1881.....	5,373,005	286,707	28,486,589	1,771,952	43,049,613	2,865,362			76,909,207	4,927,021
1882.....	3,952,806	182,873	53,228,379	3,416,318	41,973,293	3,026,297	4,027,380	292,595	106,181,858	6,918,083

It appears that this Government has no official knowledge that vacuum-pan crystals were ever made in the Sandwich Islands prior to the treaty, and in fact has no authentic knowledge that any sugars except muscovado, brown, and other drained sugars were made in the Hawaiian Islands prior to the treaty, and commonly known as "Sandwich Island sugars," which statement is proved in the following letter:

TREASURY DEPARTMENT, BUREAU OF STATISTICS,
WASHINGTON, D. C., *March 22, 1882.*

"H. A. BROWN, Esq.,

"DEAR SIR: In reply to your inquiry of the 20th instant, as to whether Hawaiian sugars imported prior to 1876 were other than raw, drained or clayed sugars, to wit, brown, and muscovado sugars, made by the old process, and known as Sandwich Island sugars, I have to inform you that this office is not in possession of any information upon that point.

"Very respectfully,

(Signed)

"JOSEPH NIMMO, Jr.,
"Chief of Bureau."

Conclusive evidence of chicane in the Spreckels, "Organ" table of assumed grades imported in 1875, appears in the official classifications of Sandwich Island sugars in 1867-68, which averaged above 65 per cent., not above No. 12 D. S., and in 1877 which averaged about 50 per cent., not above No. 13, D. S., as against only 3 per cent. claimed below No. 10 D. S. for 1875, in the "Organ" table of fictitious classifications for that year.

The "Merchant's" attempt to subvert facts simply renders Treasury officials derelict of duty, in appearance at least, inasmuch as if the marvellous "organ" classifications of 1875 existed, the fact was suppressed officially, and Congress was led to believe that only muscovado and brown sugars were made in or imported from the Islands, while 88 per cent. of the imports of 1875 were actually semi-refined vacuum-pan centrifugal crystals, above 13 to 20 D. S., leaving only 3 per cent. of actual muscovado and brown sugars not above 10 D. S., and only 9 per cent. between 10 and 13 D. S.

Without here entering further into these analyses, which I have already done in numerous statements to Congress and your honorable committee, I will only add that China, Java, and Manilla sugars may be imported into the Sandwich Islands, pay $2\frac{1}{2}$ cents per lb. duty, and be reboiled and shipped to San Francisco duty free at a clean profit of from \$1.34 to \$2.70 per 100 lbs.; in fact, the conclusion is inevitable that "this profound foreign policy," or Hawaiian reciprocity treaty, is a gigantic fraud upon the people of this country and the native planters of Hawaii, and an incubus upon American sugar-producing and refining industries.

The importation of refined vacuum-pan centrifugal crystals, which approximate in quantity 75 per cent. of the Hawaiian sugars now imported duty free, and their unrestricted free entry as "muscovado, brown, and unrefined sugars," is a stupendous fraud, which demands the immediate action of the Executive and the early attention of Congress.

Very respectfully,

MAY 3, 1882.

HENRY A. BROWN.

Neither is there anything in the Claus Spreckles protest of 1875 against the Treaty, which can be construed to indicate that vacuum pan sugars were made in Hawaii prior to the Treaty, much less that vacuum pan sugars were "muscovado, brown and other unrefined sugars heretofore commonly imported, etc.;" the fact that prior to the Treaty, the Island Planters may have produced and sent to our markets, a moiety of centrifugal sugars ranging from 13 to 20 Dutch Standard in color, does not prove that the sugars commonly imported were of that grade.

Manufacturing "muscovado, brown or other unrefined" sugar from cane juice commonly consists of three processes conducted substantially as follows: the juice is first heated slowly to the point of boiling to clarify it, that is, to precipitate feculents for removal from the raw juice. When the heat does not fully separate feculents from the juice, and when acid is in excess therein, alkalies are used, such as quicklime, milk of lime, and bisulphate of lime. The quantity of lime required is determined by the use of litmus paper, and feculents are removed by skimming, filtration and settling.

The clarified juice is boiled at about 215° F. to evaporate the juice and reduce it to syrup. The syrup is next concentrated to melada by more rapid boiling at an increased temperature, which should not exceed 235° to 238° Fahrenheit, at which point the best results are usually obtained. During the process of evaporation and concentration, acidity in excess is again corrected by the use of lime, and feculents that rise are removed by skimming.

Open boilers, or kettles, or tanks are used for sugar making by this process, and were formerly used for refining sugars. After cooling and graining, raw sugar is separated from the syrup or molasses by various methods; draining by putting melada into casks, tanks, or boxes pierced with holes to permit the syrup to escape while the sugar remains, is still practiced in sugar producing countries; conical moulds are also used for the same purpose; other and more primitive methods of draining are practiced in producing countries where the knowledge of sugar making is crude and imperfect.

Molasses obtained by draining raw sugar, is reboiled, evaporated, inspissated, crystallized, and treated the same as the first product of cane juice already described; the raw sugar thus obtained is

called molasses sugar, and is equal in value to muscovado sugar for refining purposes; the molasses of commerce is drained from melada and is often extremely rich in sugar crystals. Such sugars as these are the "muscovado, brown, and other unrefined sugars" exempted by the treaty of 1875 with Hawaii.

Vacuum-pan sugar manufacture is simply the application of the refining process to sugar making, to any desired extent consistent with profitable production and returns for investments made in the necessary machinery.

The introduction of vacuum-pan boilers varies the old method of finishing sugar at the second or evaporating process as follows: The syrup, having been brought to the proper consistency, is run into receivers, thence run through filter bags or directly into subsidors, and from thence drawn into the vacuum-pan as required. Sulphurous and sulphuric acid, quicklime, milk of lime, and sulphurous gas are used in the manufacture of foreign vacuum-pan crystals for the American market in order to evade duty by outwardly discoloring crystals of sugar.

Various methods are extensively practiced in foreign countries to color vacuum pan crystals made to test from 93 to 99° in purity, but intended to evade Nos. 10 and 13 of the Dutch standard of our tariff; a favorite formula employed is, to every 600 gallons of juice add 4 to 5 pounds of lime in the defecator, and again use the same quantity of lime in subsidors for dark sugars, whereas only one half the quantity of lime is used for light sugars; the excess of the lime retained in the syrup, discolors the crystals more or less outwardly and sometimes throughout, during inspissation and graining.

Again, thoroughly clarified cane juice is evaporated in triple effects or in open pans, run into subsidors, and thence drawn into the vacuum pan for finishing; where the highest grade of crystals, say 95 to 99° in purity are required, and No. 10 or 13 D. S. the limit of color, crystals are fully formed and, just before the strike, the proper percentage of molasses impurities or caramel, or both, is admitted to the boiling sugar, and the pure crystals are outwardly colored to imitate raw sugars not above No. 7-10 or 13 D. S. in color as desired.

Molasses carefully run into the vacuum-pan at intervals, after graining has progressed nearly to the desired striking point, produces a molasses crystal of great purity from 93 to 97°, but not above No. 10 D. S. in color, when skillfully manipulated. Great attention, excellent judgment, and superior skill, are the most essential elements in producing manufactured sugar crystals of the highest degree of purity, and of the requisite color to evade the payment of the full duty that would be properly levied in this country upon such sugars, if they were not manufactured to imitate raw material.

Unless tampered with at some stage of sugar making, properly

clarified cane juice will yield light yellow crystals of any desired size in the vacuum-pan, which equal 12 to 16 D. S. in color; after being purged in the centrifugals, these crystals will be of a natural color, equal to from 13 to 18 D. S., and test from 95 to 99° in purity; the duty on such sugars, when not above 16 D. S., would at present rates be \$3.43 $\frac{3}{4}$ per 100 lbs., and when above No. 16 D. S. in color, the duty would be \$4.06 $\frac{1}{4}$ per 100 lbs., hence the various foreign methods of producing a manufactured article of sugar of superior value, to imitate raw sugar material and evade duty.

Centrifugal machines perform the work of separating sugar from syrup with dispatch; by such aid the tedious process of drainage is avoided, and separation accomplished in a few moments, the concentrated mass of sugar and syrup is placed in cylindrical baskets finely perforated, and fitted upon central shafts that are made to revolve swiftly, the rapid motion drives out the syrup, and leaves the sugar comparatively dry and pure in the baskets.

The vacuum-pan, or semi-refined sugars, now imported from Hawaii, are wholly dissimilar in color to, and far superior and larger in grain than muscovado and clayed sugars, or any other raw sugars; these manufactured crystals were virtually unknown and wholly unrecognized in the treaty of 1875, much less were they exempted thereby; indeed it is evident that even clayed sugars are dutiable under said treaty.

On what grounds customs officials at San Francisco levied duty on certain lots of 16 to 20 D. S., Hawaiian sugars, while they have admitted tens of thousands of tons of refined vacuum pan crystals from No. 10 to 13 to 20 D. S. in color free of duty, is a question of importance. I present an exhibit of these abuses in official classifications of Hawaiian sugars.

The classifications, quantity, and value of dutiable sugars entered for consumption from the Hawaiian Islands, for the fiscal years ended June 30, 1867, 1868, 1874, 1875, 1876, were as follows:

<i>Grades Dutch Standard.</i>	<i>Quantity.</i>	<i>Value.</i>
<i>Year 1867.</i>	<i>Pounds</i>	
Not above No. 12 D. S. -----	9,353,230	\$443,464
Above 12, not above 15 -----	5,821,172	341,020
Above 15, not above 20 -----	22,659	1,608
Total consumed -----	15,197,061	\$786,092
Average cost per 100 pounds, 1867, \$5.17.		
<i>Quality—1868.</i>	<i>Quantity Pounds.</i>	<i>Value.</i>
Sugars not above No. 12 Dutch standard -----	12,622,159	\$579,756
Above 12, not above No. 15 -----	5,591,842	375,247
Above 15, not above No. 20 -----	27,061	1,895
Above No. 20, in all -----	80	11
Total consumed -----	18,241,142	\$956,909
Average cost per 100 pounds, 1868, \$5 24.		

Dutiable Hawaiian Sugars entered into consumption in the fiscal years ended June 30, 1874, 1875, 1876, prior to the Reciprocity Treaty admitting Hawaiian Sugars Duty Free.

<i>Year.</i>	<i>Dutiable Sugars. Pounds.</i>	<i>Value. Dollars.</i>	<i>Cost per lb. Cents.</i>	<i>Average Grade.</i>
1874-----	13,575,674	740,786	5.45	No. 7 to 10 D. S.
1875-----	17,888,005	938,676	5.24	No. 7 to 10 D. S.
1876-----	20,978,374	1,051,987	5.01	No. 7 to 10 D. S.
Total-----	52,442,048	2,731,449	Av. 5.2	Av. 7 to 10 D. S.

Although the classifications of Hawaiian sugars for duty have not been officially recorded separately in the years 1869 to 1876, inclusive, the average grade thereof by the Dutch standard is readily determined to have been No. 7 to 10 D. S., by the average cost of said sugars, and by comparison with the official classifications and cost of Hawaiian sugars in 1867, 1868, and 1877; proof positive that they were raw "muscovado, brown, and other unrefined sugars."

Classifications of Hawaiian Sugars entered into consumption in the fiscal years ended June 30, 1877, 1878, 1879, 1880, 1881, 1882, under the Dutch Standard.

<i>Classified D. S.</i>	<i>1877. Pounds.</i>	<i>1878. Pounds.</i>	<i>1879. Pounds.</i>
Above No. 7 not above No. 10--	3,980,804	2,437,920	8,174,146
Above No. 10 not above No. 13--	11,291,315	10,805,283	16,615,686
Above No. 13 not above No. 16--	10,183,556	12,227,780	15,670,564
Above No. 16 not above No. 20--	5,186,406	4,897,345	1,232,673
Above No. 20 D. S.-----	43,061	-----	-----
Total consumed-----	30,685,142	30,368,328	41,693,069

<i>Classified D. S.</i>	<i>1880. Pounds.</i>	<i>1881. Pounds.</i>	<i>1882. Pounds.</i>
Not above No. 7 D. S.-----	-----	-----	13,571
Above No. 7 not above No. 10--	7,793,349	5,373,005	3,939,235
Above No. 10 not above No. 13--	28,416,596	28,486,589	53,228,379
Above No. 13 not above No. 16--	23,868,886	43,049,613	44,973,292
Above No. 16 not above No. 20--	1,477,493	-----	4,027,380
Total consumed-----	61,556,324	76,909,207	106,181,858

Hawaiian Sugars entered into consumption free of duty in the fiscal years ended June 30, 1877, 1878, 1879, 1880, 1881, 1882, under the Reciprocity Treaty admitting Hawaiian Sugars Duty Free.

<i>Year.</i>	<i>Free Sugars. Pounds.</i>	<i>Value. Dollars.</i>	<i>Cost per lb. Cents.</i>	<i>Average Grade.</i>
1877-----	30,685,142	2,112,270	6.88	Above No. 13 D. S..
1878-----	30,368,328	2,274,430	7.49	Above No. 14 D. S.
1879-----	41,693,069	2,811,192	6.74	Above No. 13 D. S.
1880-----	61,556,324	4,135,486	6.72	Above No. 13 D. S.
1881-----	76,909,207	4,927,021	6.40	Above No. 14 D. S.
1882-----	106,181,858	6,918,083	6.51	Above No. 14 D. S.
Total-----	347,393,928	23,178,482	6.79	About No. 14 D. S.

Loss of duty in six years, by grades average above 13 D. S. $3.43\frac{3}{4}$ cts. per lb.
 " " " At $62\frac{1}{2}$ per cent. ad valorem-----4.17 cts. per lb.

The above exhibit also proves that the abolition of duty on Hawaiian sugars did not reduce their cost, which averaged 5.2 cts. per lb. in 1874-5-6, and 6.79 cts. per lb. in 1877 to 1882, inclusive, but has increased the cost of refined sugars to Pacific coast consumers.

The treaty admits nothing but natural drained sugars; indeed, the moiety of sugars above 7 to 10 D. S. in color, which were entered and known in 1875 as Sandwich Island sugars, were muscovado sugars, a portion of which may possibly have been clayed, which process produces a moiety of white sugar.

The quantity of sugars drained above No. 13 or 15 D. S. prior to the treaty does not, however, indicate that such were clayed sugars; neither is there any reliable evidence that a pound of the sugars, then imported from the Sandwich Islands, were clayed; in fact, melada can be drained until the remaining dry muscovado sugar is above No. 16 D. S. in color, and the conclusion is inevitable that Sandwich Island sugars, as designated in the treaty, were muscovado sugars.

Casual observation of the changed classifications of Hawaiian sugars since the treaty, the knowledge that in those islands sugars are now grained and finished in vacuum pans, after the cane juice has been clarified and inspissated to the consistency of syrup, and that, instead of the old method of twenty to forty days' draining, the vacuum-pan sugars are now drained in centrifugals in a few minutes, together with the statements of Ex-Minister Comly and others, that the best of modern machinery is now used, and the highest grades of sugars are now made in the Hawaiian Islands, as well as the sworn cost or invoice value of such sugars, and sales in open market, produces reliable evidence that the great mass of all sugars now entered as free sugars are; in reality, vacuum-pan and high grade sugars, superior in color, quality, and value to the "muscovado, brown, and other unrefined" Sandwich Island sugars exempted by the treaty.

To what extent this subversion of the treaty has been carried is readily seen in the classifications, which rose, as follows, after the treaty on the single class above No. 13, not above 16 D. S., as entered for consumption in the fiscal years ended June 30, 1877, to 1882, inclusive:

1877, above 13 not above 16 D. S.	-----	10,183,556 lbs.
1878, " "	-----	12,227,780 "
1879, " "	-----	15,670,564 "
1880, " "	-----	23,868,886 "
Or more than the total imports of Hawaiian sugars in 1876,		
1881, above 13 not above 16 D. S.	-----	43,049,613 "
Or more than the total imports of Hawaiian sugars in 1879.		
1882, above 13 not above 16 D. S.	-----	44,973,293 "

Every pound of these sugars, and all of the 10 to 13 grades, are undoubtedly dutiable sugars under the law and under the treaty,

and every pound of Hawaii sugar of every grade should pay duty by the Polariscope test in order to stop this wholesale revenue robbery.

Tangible evidence is furnished in classification Tables herein, that sugars are manufactured by refining processes in Hawaii, as well as in Cuba and Demerara, to assume any outward color desired; an impossible achievement in making muscovado sugars.

When duty was levied on certain high grades of sugars entered as free at San Francisco, Hawaiian sugars above No. 16 D. S. in color soon disappeared for the time being, but have reappeared under lax Executive administration; the official record of classifications of Hawaiian sugars above 16 D. S. were as follows, in the fiscal years ended June 30th, 1878, 1879, 1880, 1881, 1882:

Admitted duty free.	1878	1879	1880	1881	1882
	lbs.	lbs.	lbs.	lbs.	lbs.
Above 16 not above 20 D. S. -- }	4,897,345	1,232,673	1,477,493	None.	4,027,380

This treaty abuse becomes palpably evident in my manifold comparisons of samples of Hawaiian sugars imported in 1881-1882, with samples of other foreign and domestic sugars including—

Dutiable raw sugars in their normal condition.

Domestic cane, beet and sorghum sugars.

Foreign centrifugals, showing coloration devices, and official Dutch standards used for levying duty on sugar.

The Treasury Department stands committed against the admission of high grades of Hawaiian sugars, duty free, in sustaining the collector at San Francisco who levied duty on such sugars that happened to be No. 18 to 20 D. S. in color, as will be seen in Treasury decision 3,262, June 2d, 1877, herewith presented from synopsis of decisions 1877, p. 205, wherein it is evidenced that the customs appraiser at San Francisco, and the collector of customs at Portland, Oregon, officially report that such sugars were not commonly imported into San Francisco and Portland, and there known as Sandwich Island sugars prior to the adoption of the treaty of 1875.

Hawaiian Sugar—When Dutiable under Treaty.

TREASURY DEPARTMENT, June 2, 1877.

SIR: The Department has had under consideration your report of December 2 last, with accompanying documents, in relation to the appeal (2559 e) of the California Sugar Refinery, per C. A. McNulty, attorney, from your assessment of duty on certain 388 kegs sugar imported per bark "R. C. Wylie," from Honolulu, Hawaiian Islands, November 14, 1876.

The appellants claim that the sugar in question is entitled to free entry under article 1 of the reciprocity treaty between the United States and the Hawaiian Islands, ratified January 30, 1875, and the act of August 15, 1876, carrying the treaty into effect.

By the terms of that treaty and the law of Congress passed in pursuance thereof, approved August 15, 1876, free entry is accorded to muscovado, brown, and all other unrefined sugar, the growth and manufacture or produce of the Hawaiian Islands, "meaning thereby the grade of sugar heretofore commonly imported from the Hawaiian Islands and now known in the markets of San Francisco and Portland, Oregon, as Sandwich Island sugar."

Three questions are therefore presented for consideration :

First. Is the sugar in question of the growth and manufacture of the Hawaiian Islands?

Second. Is it unrefined sugar?

Third. If so, is it the grade of sugar which was commonly imported from the Hawaiian Islands, and known in the markets of San Francisco and Portland, Oregon, at the date of the adoption of the treaty, as Sandwich Island sugar?

Upon the first point it is conceded that the sugar is the growth and manufacture of the Hawaiian Islands. As to the second point, I have to state that, upon the submission of samples of the sugar to the experts of the customs at some of the principal ports, there appears to be a difference of opinion among them as to whether the sugar can properly be regarded as unrefined. It appears to have been manufactured by what is known as the "centrifugal process," and during the process of manufacture a jet of water was introduced so as to more fully clear it of its impurities.

The rate of duty upon imported sugar is based mainly upon its color by the Dutch standard, and Schedule G of the Revised Statutes imposes a duty of four cents per pound on sugar above No. 20, Dutch standard in color, and on all refined loaf, lump, crushed, powdered, and granulated sugars.

In the case of Barlow, claimant of 85 hogsheads of sugar, (appellant against the United States, 7 Peters, page 404,) it is held by the Supreme Court of the United States that the term "refined sugar" is to be construed as exclusively limited to such as has assumed at some time the form of white refined loaf or lump sugar.

Applying that rule to the present case, it would clearly appear that the sugar in question is to be regarded as unrefined within the meaning of the treaty and of the act of Congress before mentioned.

Upon the third question, as to whether this grade of sugar was at the time of the adoption of the treaty commonly imported into San Francisco and Portland, Oregon, and there known as Sandwich Island sugar, you report that the appraiser states that sugar of the grade in question was not, prior to the adoption of the treaty, commonly imported, although there had been a few importations of it made into your port prior to the adoption of the treaty. As opposed to this, is the statement of twenty-one merchants and dealers in such sugar at San Francisco to the effect that the sugar in question is of the grade commonly imported from the Sandwich Islands, and that at the time of the

treaty it was known in the markets of San Francisco and Portland, Oregon, as Sandwich Island sugar. *They fail to show, however, that sugar of as high a grade as the present was commonly imported into San Francisco from the Hawaiian Islands at the time of, or before, the adoption of the treaty.*

The papers in the case were referred to the collector of customs at Portland, Oregon, for report upon this question, and he states that sugar of the grade embraced in this appeal—that is, sugar above No. 20, Dutch standard—was not commonly imported into Portland prior to the adoption of the treaty.

The reports of the appraiser at your port and the collector of customs at Portland, Oregon, are therefore accepted as conclusive upon the question of fact as to the grade of the sugar imported prior to the adoption of the treaty, and as these reports show that sugar of the grade embraced in this appeal was not commonly imported into those ports at that time, it follows that it is to be regarded as not admissible, free of duty, under the treaty.

Your assessment of duty having been made by the standard of the Dutch color, in accordance with Schedule G of the Revised Statutes, your decision is hereby affirmed.

* * * * *

Respectfully,

JOHN SHERMAN, *Secretary.*

COLLECTOR OF CUSTOMS, *San Francisco, Cal.*

The decision quoted would properly apply with equal force to all Hawaiian vacuum-pan centrifugal sugars even when below 13 or 16 D. S. in color, none of which are "muscovado, brown, and other unrefined" or raw sugars, such as were commonly imported prior to the Treaty. The Government has no more right to exempt Hawaiian centrifugals below No. 20 D. S. in color than it had to exempt the No. 18 to 20 D. S. sugars upon which duty has been levied as already shown.

The assumption that sugars when below No. 20 are unrefined sugars entitled to free entry, and that sugars must be white-loaf or lump in order to be called refined is nonsense, and is actually contradicted by the Government in levying duty on Hawaiian sugars when above No. 18 or 20 D. S. in color, in 1877 and since.

Drawback is also allowed by the Treasury Department—on refined hard sugar, 3.18 cents per lb.; on refined coffee sugar above 20 D. S., 2.58 cents per lb.; on refined coffee sugars No. 20 and under, 2.08 cents per lb.; thus showing that refined sugars range from 12 or 13 D. S. to above 20 D. S. in color, and from refined molasses sugars—yellows—to hard white refined sugars; this is proven in numerous samples of refined sugars before me, secured from the current outturn of the leading refineries of this country, ranging from 12 to above 20 D. S. in color.

The high grades of Hawaiian vacuum-pan sugars now claiming and obtaining free entry, as "muscovado, brown, and other unrefined sugars," are no more exempt from duty under the Treaty than refined coffee sugar or white-loaf or lump sugar would be.

Regarding China and Manilla sugars, and the opportunities afforded by the Hawaiian treaty for entering them at Hawaii and shipping them thence to the United States, the bankrupt planters exhibited a rapid and curious increase of Hawaiian sugar production as imported for consumption after the Treaty, largely prior to any material yield from the cane-fields of Claus Spreckel's planting.

During ten years prior to the Treaty the normal increase in imports of Hawaiian sugars was from 15,197,061 in 1867, to 20,978,374 lbs. in 1876. Since the Treaty the imports of free sugars have increased from 20,978,374 lbs. in 1876, to 106,181,858 lbs. in 1882.

If this increase has been actually normal in consequence of the advanced production of sugar in the Sandwich Islands, the Treaty is nevertheless a gigantic evil which, increasing with enormous rapidity, will, if not checked, destroy home production and refining and become a worse burden to consumers than double the present duty on sugar could ever be, through the workings of the gigantic sugar food monopoly that would then command the American market.

The temptation to buy low-grade raw sugars in China, Hong-Kong, and adjacent countries, and land them at Hawaii to be elayed or semi-refined in vacuum-pans and reshipped thence to this country as Hawaiian sugars, duty free, is not only seemingly irresistible, but the opportunity is supplied by the reciprocity treaty between the United States and the Kingdom of Hawaii.

Hon. James M. Comly, Ex-United States minister at Honolulu, says :

"While (1880) the Hawaiians have exported large quantities of rice to us, paying no duty, they have imported and bonded 1,716,160 pounds of an inferior article for use on the plantations."

China figures largely in Hawaiian commerce, and sugar presents far greater speculative allurements than rice, while the reciprocity treaty and the kingdom of Hawaii furnish a medium for illicit sugar traffic with this country.

The Hawaiian Minister tells us that the Hawaiian duty of 2½ cts. per lb. on sugar, prevents the importation of China sugars at Hawaii for reshipment as free sugars to this country, and that the character of China sugars, as compared with Hawaiian sugars, would enable our officials to detect any attempts to enter China sugars as Hawaiian sugars.

Hawaiian sugars were, as already shown, invoiced and valued at San Francisco, in 1877, 6.88 cts. per lb.; 1878, 7.49 cents per lb.; 1879, 6.74 cts. per lb.; 1880, 6.72 cts. per lb.; 1881, 6.40 cts. per lb.; 1882, 6.51 cts. per lb.; and as the average cost of China and Manilla

sugars does not exceed 3 cts. per lb., such sugars can be entered at Hawaii, pay $2\frac{1}{2}$ cts. per lb. duty, and cost only $5\frac{1}{2}$ cts. per lb. in Hawaii, while, by reshipment to this country as Hawaiian sugars free, the average profit of such transactions during the five years named would be 1.34 cts. per lb., and the normal character of such sugars can be changed in the vacuum-pans of Hawaii without reducing this profit.

Neither is this illicit profit limited to 1.34 cts. per lb., as will appear presently from authentic data. The total crop of free sugars entered from Hawaii in 1881, 76,909,207 lbs., sold in California at an average of 7.45 cts. per lb.; hence, the illicit gain from entering China and Manilla sugars at Hawaii, after paying $2\frac{1}{2}$ cts. per lb. duty thereon to the Hawaiian government, changing the grades thereof into vacuum-pan crystals, and shipping the product to San Francisco as Hawaiian sugars, would, after allowing for refining in Hawaii, amount to at least 2.70 cts. per lb.

The Hawaiian Minister (p. 32, minutes hearing, February 17th, 1882,) called attention to the invoice valuations in the Bureau of Statistics as conclusive evidence of the great advancement of trade under the treaty, and then denied their accuracy when the same figures were applied to sugars entered free of duty at San Francisco, as being, in substance, nearly double the actual value of such sugars, and therefore erroneous.

Thus, Mr. Allen admits that the Hawaiian government and custom's officials, aided by the American Consul at Honolulu, have systematically falsified all invoices of sugars sent to this country under the treaty, and asks the committee to accept the statements of those officials to prove that only 9,100 pounds of China sugars have been imported into Hawaii, and that no advantage could thus have been taken of the treaty to send China sugars to the United States as Hawaiian sugars, owing to the vigilance of such officials.

The average invoice value of Hawaiian sugars per 100 pounds was in 1877, \$6.88; 1878, \$7.49; 1879, \$6.74; 1880, \$6.72; 1881, \$6.40; 1882, \$6.51, while sales were made above those prices; and in further illustration of the infallibility of Hawaiian customs' invoices, dutiable sugars from Hawaii were invoiced per 100 lbs., in 1867, \$5.17; 1868, \$5.24; 1874, \$5.45; 1875, \$5.24; 1876, \$5.01.

Clearly, Honolulu invoices were falsified before or since the treaty, and the Hawaiian officials, the American Consul, and the Hawaiian executives, who, as Mr. Allen shows, vouch for their own honesty—no uncommon thing in this country—must have sanctioned the fraud.

In the printed review of the Hawaiian Minister's statements to the Committee on Foreign Affairs in favor of the Hawaiian reciprocity treaty, it will be found that Mr. Allen states in substance, on page 32 of the minutes of said hearing, that the invoice value of Hawaiian sugars is far greater than their net value, and places the invoice

value thereof, in 1881, at 6.53 cts. per lb., and the net value at 5.75 cts. per lb.; for previous years Mr. Allen claims a still greater difference against invoice values.

The San Francisco Commercial Herald and Market Review for January 26, 1882, states, in its summary for 1881, as follows: "Although the refiners were as well the receivers of the principal part of the Hawaiian sugars 88,438,581 lbs., the prices paid by them were on the basis of the duty paid cost of their supplies from other markets; at the present time centrifugals polarizing 96 are quotable at 8 cts. per lb., bright muscovados polarizing 84 to 94 are worth $6\frac{1}{2}$ to $7\frac{1}{2}$ cts. per lb., and poor to fair refining 5@6 cts. per lb."

The classification of Hawaiian Sugars entered for consumption in the fiscal year ended June 30, 1881, was as follows:

Above No. 7, not above 10 D. S., poor to fair refining	5,373,005 lbs. at $5\frac{1}{2}$ c.	\$ 295,515
" " 10, " " 13 D. S., bright muscovados	28,486,589 " " 7	1,994,061
" " 13, " " 16 D. S., Vac. Pan Centrif'g'l	43,049,613 " " 8	3,443,969
Total average grade above 14 D. S.	76,909,207	\$5,733,545
1881. Invoice value of 76,909,207 lbs.	\$4,927,021	Cost per lb. 6.40c
1881. Market " " 76,909,207 lbs.	5,733,545	" " 7.45

And the entire imports of Hawaiian Sugars for the year named, would have brought an average of 7.45 cts. per lb. delivered to any refiner in New York.

The San Francisco Commercial Herald and Market Review of January 26, 1882, in its summary of prices of duty-free sugars refined in San Francisco from January 1, 1881, to January 1, 1882, states the prices for each month; the lowest and highest prices in 1881 were as follows in San Francisco:

<i>Crushed Refined Sugars.</i>	<i>Golden C. Refined Sugars.</i>
Lowest price per lb. March 5, 1881, $11\frac{1}{2}$ c.	Same date per lb. $9\frac{1}{2}$ cts.
Highest " " June 4, 1881, $13\frac{3}{4}$ c.	Same date per lb. 12cts.
Average " during 1881, 12.35c.	Same year per lb. 10.60cts.

Clearly, Mr. Allen has been misled, or he designed to mislead the Committee on Foreign Affairs, in regard to the Hawaiian Treaty and Hawaiian duty free sugars; the exhibit for the fiscal year ended June 30, 1881, being as follows:

<i>Sugars Free.</i>	<i>Invoice Value.</i>	<i>Market Value.</i>	<i>Mr. Allen's Value.</i>	
1881, 76,909,207 lbs.	\$4,927,021.	\$5,733,545	\$4,422,279	
<i>Invoice Value.</i>	<i>Market Value.</i>	<i>Mr. Allen's Value.</i>	<i>Refined Hard Value.</i>	<i>Refined Soft Value.</i>
1881, 6.40c. lb.	7.45c. lb.	5.75c. lb.	12.35c. lb.	10.60c. lb.

If Hawaiians only realize 5.75 cents per lb. for sugars that bring 7.45 cents per lb. when landed in San Francisco, they are robbed right and left by the Treaty and would be better off without it; the fact is, they do not get even that from the Spreckles dynasty; it is also evident that consumers on the Pacific Coast are paying Spreckles & Co. a clear profit above the cost of refining, estimated at 50 cents

per 100 lbs. of at least 3.70 cents per lb. on soft refined sugar, and 4.40 cents per lb. on hard refined sugar, to say nothing of the large additional profit upon Hawaiian sugars from Spreckels' Plantations which, it is claimed, can be laid down in San Francisco at 3 cents per lb. under the Treaty.

Hawaiian Planters only net from 5 cents to $5\frac{3}{4}$ cents per lb. for sugars that average nearly 8 cents per lb. in value when landed in San Francisco, because Claus Spreckels and other enterprising speculators in sugar food control contracts with Hawaiian Planters, made under the pressure of necessity, whereby they receive New York market prices for their sugars on their arrival in San Francisco, *less commissions and the duty that is saved*; a species of high-handed robbery sanctioned by the treaty with Hawaii—called reciprocity.

I have already shown in the classification tables contained in these statements that the duty remitted on Hawaiian sugars averages $3.43\frac{3}{4}$ cents per lb. since the Hawaiian treaty has been in force; whereas, the average duty collected from Hawaiian sugars in the fiscal year ended June 30th, 1876, was 2.41 cents per lb. under the present tariff; again proving conclusively that the semi-refined vacuum pan crystals now entering free are not the "museo-vado, brown and other unrefined sugars commonly imported from the Hawaiian Islands" prior to the treaty of 1875.

The average annual imports of Hawaiian sugars entered into consumption since 1867, have been as follows:

	<i>Pounds.</i>	<i>Value.</i>
1868 to 1873, inclusive, 6 years dutiable	15,782,035	\$956,710
1874 to 1876, inclusive, 3 years dutiable	17,480,682	910,483
1877 to 1881, inclusive, 5 years duty free	48,242,414	3,252,079
1882 imports 1 year duty free	106,181,858	6,918,083

The increased influx of free sugars from Hawaii has been as follows: 30,368,328 lbs. entered into consumption in the year ending June 30, 1878, 41,693,069 lbs. in 1879, 61,556,324 lbs. in 1880, 76,909,207 lbs. in 1881, 106,181,858 lbs. in 1882.

Instead of cheapening refined sugars on the Pacific coast, or even conforming to Eastern prices of similar refined outturn from dutiable sugars, the free sugar dynasty have advanced prices of refined grades to consumers in California about 3 cents per pound beyond the Eastern market, maintaining exorbitant prices by buying and coercing Pacific railroad freight agents to double the California rates of freight on Eastern sugars.

Free sugars have enabled the protesters of 1875 against the treaty, to erect a \$1,500,000 refinery, with a working capacity of 275,000,000 lbs. per annum, in addition to the outturn of existing Pacific coast refineries. Free sugars have also enabled the manipulators thereof to transfer a large portion of the Pacific coast refining industry to the plantations in the Hawaiian Islands.

Free sugars enable Spreckels & Co. to import China and Manila sugars at large advantage over Louisiana and Eastern refiners, and will soon enable the free sugar dynasty to break down the Eastern market from time to time, only to corner for a rise, until free sugars from Hawaii shall finally destroy home production and hold consumers throughout the country at the mercy of the monopoly which now swindles consumers on the Pacific coast.

If such manipulations as these do not affect American sugar producers and refiners, consumers and taxpayers injuriously, then light is darkness, and facts but fictions. The only relief we have from these free sugar monopolists and treaty abuses is to protect home sugar production and the refining industries of the country, in order that healthful competition may be maintained for the benefit of consumers, and that Eastern competition, having only freight to contend with, may extend to California, and thus materially benefit consumers of sugar on the Pacific coast.

Taking the official records as authority, the loss of revenue during five years of this treaty exceeds ten millions of dollars; taking the extra price placed upon Hawaiian sugars over those of other countries, which was in the fiscal year ended June 30, 1881, \$1.98 per 100 lbs.; say 2 cents per lb. on 241,212,070 lbs. consumed in five years, the average cost of Hawaii sugars, in 1881, having been \$6.40 per 100 lbs., and those from other countries \$4.42 per 100 lbs., we have a loss of industry of \$4,824,241; and taking the minimum of extra cost of free sugars to consumers on the Pacific coast, above the cost of dutiable sugars to consumers elsewhere, at 2 cents per lb., we find the former paid \$4,824,241 extra for free sugars in five years ended June 30, 1881. We will come to the exhibit in 1882 presently.

In my judgment, founded upon the evidence produced by the classification of facts and authentic figures, at least seventy-five to eighty (75 to 80) per cent. of the sugars now entered for consumption duty free from Hawaii are not exempted by the treaty, but under the law are dutiable sugars; and the fact that through official neglect or misapprehension, duty upon such new process sugars has not been collected, does not prove to the contrary.

Summing up the commercial results of this treaty as recorded in the official archives of our statistical and revenue bureaus and other authentic records upon which I base my statements, under the treaty in five fiscal years ended June 30, 1877, to June 30, 1881, inclusive, the exhibit is as follows, sugar constituting 90.81 per cent. of the total consumption of Hawaiian merchandise, duty thereon 62½ per cent. cent. advalorem :

Total Imports consumption.	Total Exports dom. ind-e.	Total Sugars consumed.	Loss of Duty on sugar alone.
\$17,905,365.	\$9,761,142.	\$16,260,399.	\$10,162,749.

Thus the palpable losses to this country by said treaty during the five years named were :

1. Balance of trade against the United States.....	\$8,144,223
2. Loss of duty on sugars as above and elsewhere stated.....	10,162,749
3. Extra cost of Hawaiian sugars as before explained.....	4,824,241
4. Minimum extra cost of "free" refined sugars to consumers.....	4,824,241

Total tangible loss to the United States\$27,955,454

Taking the annual average we have lost \$5,591,090 per annum by the treaty. Taking the fiscal year ended June 30, 1881, the account stands as follows:

Imports Consumed.	Exports Mdse.	Sugar Imports.	Loss of Duty.
\$5,525,670.	\$2,694,583.	\$4,927,021.	\$3,079,388.

Showing a largely increasing annual average loss, as follows:

1. Balance of trade in 1881 against the United States.....	\$2,831,087
2. Loss of duty on sugars as explained elsewhere.....	3,071,388
3. Extra cost of Hawaiian sugars as before explained.....	1,538,184
4. Minimum extra cost of "free" refined sugars to consumers.....	1,538,184

Total tangible loss to the United States in 1881.....\$8,986,843

The stupendous progress of this Reciprocity Treaty abuse becomes still more startling in view of the official report of our trade with the Hawaiian Islands in the fiscal year ended June 30, 1882, which was as follows: Sugar constituting 90.47 per cent. of imports and estimated duty thereon lost 62½ per cent. advalorem:

Total Imports from H. Islds.	Total Exports to H. Islds.	Total Sugar imports	Loss of Duty sugar alone.
\$7,646,294	\$3,350,775	\$6,918,083	\$4,323,801

Showing the following trade results for 1882:

1. Balance of trade in 1882 against the United States.....	\$4,295,519
2. Loss of duty on sugars as explained elsewhere.....	4,323,801
3. Extra cost of Hawaiian sugars as before explained.....	2,123,637
4. Minimum extra cost of "free" refined sugars to consumers.....	2,123,637

Total tangible loss to the United States in 1882.....\$12,866,594

Three tons of sugar to the acre can be readily obtained in the Hawaiian Islands; five tons per acre of sugar have been obtained from Hawaiian cane; with the exception of Mauritius, Hawaii is the richest yielding sugar cane growing country known; fully 30,000 acres of cane are now under cultivation in Hawaii, which yielded 65,000 tons of sugar in the last year, and there are, according to authentic accounts, at least 75,000 more acres of lands available in the Islands for the cultivation of sugar cane, needing only irrigation as already proved by Spreckel's enterprises.

Without a doubt the Hawaiian Islands possess a capacity of sugar production equal to 350,000 tons per annum: when planted in June, cane grows for eighteen months without tasselling owing to the mildness of the climate in winter, during which season there is no frost, as the temperature is seldom below 55 degrees F., hence Hawaiian

cane attains a gigantic growth unknown even in Cuba. As already shown, about 55,000 tons of sugar was exported to this country from Hawaii in the year ended June 30, 1882; nearly 75,000 tons will be sent to this country the coming year from those Islands.

The pretense of the Hawaiian sugar monopolists that these treaty abuses affect only Eastern refiners is nonsense. American sugar producing industries will be ruined by their continuance. Eastern refiners can take care of themselves, but consumers of sugar and taxpayers will go to the wall when competition ceases.

This is evidenced in California, where consumers pay 3 cents per lb. more for refined sugars than similar grades are sold at by Eastern refiners to Eastern consumers.

During 1882, according to the market quotations in the San Francisco Trade Review, compared with the market quotations in New York on the same days, consumers of refined sugar on the Pacific Coast, paid from $2\frac{7}{8}$ to $3\frac{1}{2}$ cents per lb. more for Hawaiian bounty-fed sugars, than Eastern consumers paid for refined duty-paid sugar.

It will be time enough to look for any advantage to Eastern consumers from "Pacific Coast refined sugars sent East, when prices are reduced to Pacific Coast consumers by the Hawaiian free sugar dynasty in San Francisco.

Measure the tangible losses to this country, through the treaty and its subversion, by the increase thereof in 1882, and the annual prospective increase in Hawaiian sugar production, and we shall lose in the next five years, through said treaty, enough money to build a navy that would command the world; while the additional injury and loss to consumers, and our producing and refining industries, will be incalculable, in thus changing healthy trade competition in sugar food, to a powerful semi-foreign monopoly.

Instance the following comparative exhibit for 1881, of all dutiable sugar *versus* Hawaiian free sugars: there entered into consumption in the fiscal year ended June 30th, 1881:

<i>Year.</i>	<i>Dutiable Sugars. Pounds.</i>	<i>Foreign Value.</i>	<i>Cost per lb. Cents.</i>	<i>Duty Received.</i>
1881, ----- Hawaiian Free.	1,889,708,743	\$83,436,444	4.41½	\$46,318,073
1881, -----	76,909,207	4,927,021	6 40	Duty Free.

A similar comparison for the year ended June 30th, 1882, presents the following exhibit of all dutiable and free sugars entered for consumption:

<i>Year.</i>	<i>Dutiable Sugars. Pounds.</i>	<i>Foreign Value.</i>	<i>Cost per lb. Cents.</i>	<i>Duty Received.</i>
1882, ----- Hawaiian Free.	1,927,531,890	\$84,823,099	4.40	\$46,976,834
1882, -----	106,181,858	6,918,083	6.51	Duty Free.

The magnitude and growth of these Hawaiian treaty abuses, and the egregious national blunder of their further continuance, in view of our relations with all other sugar-producing countries, is further evidenced in the following table of official classifications of dutiable sugars, and free sugars from the Hawaiian Islands, entered for consumption in the fiscal year ended June 30, 1882:

Statement showing the quantity, value, and amount of Duty received from Molasses, Melada, and Sugar, entered for consumption in the United States during the fiscal year ended June 30th, 1882.

DUTIABLE.

<i>Articles.</i>	<i>Quantity.</i>	<i>Value.</i>	<i>Duty rec'd.</i>
Molasses, galls-----	35,543,653	\$9,689,686 79	\$2,221,478 31
Tank bottoms, syrup of sugar, cane- juice, melada, and concentrated molasses, lbs-----	14,135,435	467,554 00	265,039 42
Sugar—			
Not above No. 7, lbs-----	485,476,825	18,190,880 75	10,619,805 53
Above No. 7, and not above No. 10, lbs-----	1,305,991,757	60,165,523 96	32,649,793 90
Above No. 10, and not above No. 13, lbs-----	119,982,153	5,907,534 65	3,374,498 10
Above No. 13, and not above No. 16, lbs-----	1,891,213	87,212 43	65,010 45
Above No. 16, and not above No. 20, lbs-----	4,075	253 79	165 55
Above No. 20, and all refined— loaf, lump, crushed, powdered, and granulated, lbs-----	50,432	414 00	2,521 60

FREE OF DUTY (HAWAIIAN ISLANDS).

<i>Articles.</i>	<i>Quantity.</i>	<i>Value.</i>
Molasses, galls-----	152,700	\$21,694 02
Sugar—		
Not above No 7, lbs-----	13,571	606 00
Above No. 7, and not above No. 10, lbs-----	3,939,235	182,267 00
Above No. 10, and not above No. 13, lbs-----	53,228,379	3,416,317 98
Above No. 13, and not above No. 16, lbs-----	44,973,293	3,026,297 56
Above No. 16, and not above No. 20, lbs-----	4,027,380	292,595 00

TREASURY DEPARTMENT, BUREAU OF STATISTICS,

October 31st, 1882.

JOSEPH NIMMO, Jr.,

To H. A. BROWN, Esq.,

Chief of Bureau.

Saxonville, Mass.

It will be seen in the above tables, that while the average grade of dutiable sugars entered for consumption appears to be below No. 10 D. S. and their average foreign cost is 4.40 cents per pound, the average grade of Hawaiian sugars is above No. 14 D. S. in color and their average foreign cost is 6.51 cents per pound.

While levying duty upon the great volume of cheaper sugars and raw material received from all other sugar producing countries, there is nothing rational in exempting the higher priced semi-refined

Hawaiian sugars from duty; and Congress should correct the existing treaty blunder in this regard, forthwith.

There exists neither authority of law nor treaty provision, however, that can justify the continued admission of vacuum pan refined crystals of any color duty free, under the pretence that such sugars are "muscovado, brown and other unrefined sugars commonly imported from the Hawaiian Islands as Sandwich Island sugar," prior to the treaty of 1875.

It is gratifying to know that the writer's persistent exposures of these Hawaiian treaty abuses, have at length brought about recognition of this fact, which should lead to a speedy abatement of the frauds now practiced by entering advanced sugars as raw material duty free, through the subversion of the provisions of said treaty and tariff laws, and official connivance thereat.

Having at length grappled this monstrous treaty abuse in the cases of Hawaiian sugars centered at New York, the Government should have maintained its position in the courts instead of relegating its functions to San Francisco.

Knowing the difficulties in the way of now levying duty on grades of Hawaiian semi-refined sugars which have hitherto been exempted by custom, but not by law or the Hawaiian treaty, the following letter was sent to the Secretary of the Treasury as presenting a fair exhibit of a case in point:

SAXONVILLE, MASS., Oct. 24, 1882.

Hon. CHARLES J. FOLGER, Secretary of the Treasury.

SIR: I have the honor to invite your attention to one or two points in the matter of Hawaiian sugars of high grades, and the illicit free entry thereof as "muscovado, brown, and other unrefined sugars," such as "were commonly imported and known in the markets of San Francisco and Portland as Sandwich Island sugars," prior to the reciprocity treaty of 1875 with the Hawaiian Islands.

Without entering upon the subject at large in this letter, I have to say that I have gathered several hundred samples from as many lots of Hawaiian sugars entered at San Francisco during the past two years, and a large number of samples from the cargoes of such sugars recently entered at New York, a great many of them "Ex Adonis," upon which cargo I am informed duty has been levied at that port.

This is certainly most commendable as a righteous procedure of the Government against an infamous treaty abuse, which is rapidly assuming the proportions of a national calamity in many respects. I am, however, also informed that, inasmuch as the collector at New York declines to declare the aforesaid sugars dutiable, on the ground that the question hinges on a matter of fact which he feels

unable to decide, you have directed that the case be referred to the collector at San Francisco for his decision.

The functions of your executive position and those of the appraiser and collector at New York, being relegated to customs officials in San Francisco, the hot-bed of these Hawaiian treaty abuses and the headquarters of the well-known instigators and perpetrators thereof, are thus, in my judgment, exposed to grave abuse or subversion, inasmuch as the established custom of passing semi-refined sugars free at San Francisco, which is wholly unauthorized by the treaty and United States customs laws, will be cited by San Francisco officials as reason for admitting such sugars duty free in New York.

Such an assumption will inevitably be overthrown; the absurdity of the claim that the Hawaiian sugars now entered and passed free of duty, are "such as were commonly imported and known as Sandwich Island sugars" prior to the treaty of 1875, is well illustrated in 87 samples in my possession from the cargo of Hawaiian sugars last entered at New York (Adonis), not a package of which are such sugars as were commonly imported and known in the markets of San Francisco and Portland as Sandwich Island sugars in 1875.

The 87 lots referred to above are entirely vacuum-pan sugar, mostly large, finished crystals, ranging in color from 7 D. S. to 18 D. S., and testing from 85 to 98 in the polariscope; the average color being above 14 D. S., the average test being above 93 degrees in the polariscope. Twenty-eight of these lots were above 15 D. S., with an average test above 96; 24 lots were from 12 to 15 D. S., with an average test of 95; the balance from 8 to 11 D. S., with an average test of 91.8. A large proportion of the sugars are 16 to 19 D. S., or refined crystals, superior to yellow refined sugars in color, quality and test, and fit for immediate consumption.

Such, and even finer, grades of manufactured sugars are, at this writing, commonly imported and admitted free of duty at San Francisco to my knowledge. A large number of samples of these semi-refined Hawaiian sugars are in my possession, which are beyond compare superior in color, quality and value to the "sugars commonly imported and known in the markets of San Francisco and Portland" prior to the treaty of 1875. This statement is sustained by a majority of the sugar importers, producers, and refiners in this country.

The question of fact, which, I am informed, you have referred to the collector at San Francisco for his decision, is not, therefore, whether a moiety of high grades of centrifugal sugar was imported from Hawaii prior to the treaty of 1875, but whether such sugars

were "commonly imported and known in the markets of San Francisco and Portland as Sandwich Island sugars" in 1875. The official records, and the fact that duty has been levied on such sugars when the color was too glaringly light, together with numerous other facts, evidence that at least 80 per cent. of the sugars now entered free from the Hawaiian Islands are not designated in or exempted by the treaty of 1875.

I have knowledge that an appeal to you to put a stop to this treaty abuse is now being numerously signed by prominent importers and refiners of sugar in New York and elsewhere, which will soon reach you, if it is not already in your hands. Such a petition is entitled to great weight, as coming from those who are familiar with sugars of every description, many of whom have handled Sandwich Island sugars prior to the treaty.

With full knowledge of the powerful and subtle influences which, backed by five or six millions of dollars per annum profits from free sugar manipulations under treaty subterfuges, have by degrees rendered these abuses chronic, and which will be brought to bear with tenfold intensity to influence the decision of the collector of San Francisco on this so-called "question of fact," I am fully prepared to sustain the Department and the collector in levying duty on all Hawaiian sugars of the high grades now imported, and claiming exemption under the treaty of 1875, and shall maintain my ground.

Very respectfully,

H. A. BROWN.

The following appeal, referred to in the above letter, which has since been presented against these well-authenticated treaty abuses and subterfuges, also speaks for itself coincident with the above statements:

HON. CHARLES J. FOLGER,

Secretary of the Treasury, Washington, D. C.:

SIR: The undersigned Importers, Refiners and Brokers of Raw Sugar respectfully call the attention of the Secretary of the Treasury to the great injustice to them of the importation, free of duty, into San Francisco and other ports, of sugars from the Sandwich Islands, which are entirely different in quality from that contemplated and clearly specified in the Hawaiian Island Treaty. The effect of this unlawful importation into San Francisco has been to greatly stimulate the production of sugar in the Sandwich Islands until it has reached an extent making it necessary to find other United States markets, and already cargoes have been imported into New York which, as we are informed, the New York appraisers have pronounced liable to duty, as not coming within the stipulations of the Treaty; but it is now announced in the press that this, as a question of fact, has been referred to the collector of San Francisco, against which course we respectfully protest, as it is well

known that such importations have been very large and continually increasing in San Francisco; and to refer the question raised to the collector of that port, would constitute him the judge of his own acts, which, we contend, have allowed illegal importations greatly to the detriment of the entire sugar trade of the country, without any benefit to the consumers. And we, therefore, respectfully request that some other tribunal may decide on what all, except parties directly interested in the profits of this comparatively new trade, have long considered an outrageous and illegal abuse of the Hawaiian Island Treaty.

NEW YORK, *October 30, 1882.*

NEW YORK.

F. O. Matthiessen & Wiechers Sugar Refining Company, W. A. Wiechers, Vice-Pres't; DeCastro & Donner Sugar Refining Co.; Havemeyer Sugar Refining Co., W. F. Havemeyer, Vice-Pres't; North River Sugar Refining Co., Geo. H. Moller, Secretary; Brooklyn Sugar Refining Co., Jul. A. Stursberg, Secretary; Globe Refinery, per Frank Lazarus; B. H. Howell, Son & Co., Knowlton & Co., J. de Rivera & Co., Leaycroft & Co., Willett & Hamlen, A. Lueder, Morewood & Co., R. A. Tucker & Co., Dwight & Platt, Louis Monjo, Jr., & Co., R. P. Buck & Co., Elmenhorst & Co., Evan J. Fraser, H. A. Vatable & Son, Fabbri & Chauncey, Grinnell, Minturn & Co., H. H. Swift & Co., S. W. Welsh, Havemeyers & Elder, Maitland, Phelps & Co., Spence, Montague & Co., Jules Sazerac & Co., Moller, Sierck & Co., Dick & Meyer.

BOSTON.

Continental Sugar Refinery, by David Townsend, Treasurer; Nash Spaulding & Co.; Bay State Sugar Refining Co., per E. F. Atkins, President; E. Atkins & Co., J. A. Emmons & Co., Whitney, Paisland & Co.; Boston Sugar Refining Co., by N. P. Hamlen, President; Willett, Hamlen & Co., Cotton & Haley, F. W. Nickerson & Co., Gossler & Co., Albert A. Cobb & Co., Charles O. Foster & Co., Henry Gardner, J. Van Prang & Co., E. Williams & Co., John L. D'Wolf & Co.; Standard Sugar Refining Company, by J. B. Thomas, President; Rufus C. Cushman & Co., Henry Hastings & Co., Alfred Winsor & Son, John W. Candler & Co., Aaron D. Weld's Sons, Cyrus Wakefield & Co., Thomas Dana & Co.

PHILADELPHIA.

Harrison, Havemeyer & Co., E. C. Knight & Co., McKean, Borie & Co., E. F. Cabada & Co., Lawrence Johnson & Co., A. F. Damon & Co., Theo. Wattson & Sons, John F. Craig, Samuel & Frank Field.

The reply to the above modest and reasonable protest and request, was as follows:

TREASURY DEPARTMENT,

OFFICE OF THE SECRETARY, WASHINGTON, *Nov. 6, 1882.*

GENTLEMEN:—This Department is in receipt of your petition dated the 30th ult., with its enclosure, relating to the admission of sugar from the Sandwich Islands, and requesting that "some other tribunal" than the Collector of Customs at San Francisco shall decide as to what sugar may be imported free of duty under the treaty with the Hawaiian government.

In reply I have to state that a report upon the subject has been requested from the Collector of Customs at San Francisco, but that

he is in no wise authorized by law or instructions from this department to decide whether the sugar to which you refer, imported at New York, shall be treated as covered by the provisions of the treaty. The decision will be made by this Department after the facts in regard to the matter shall have been ascertained.

H. F. FRENCH, *Acting Secretary.*

Inasmuch as the Treasury Department has had six years in which to ascertain "the facts in regard to the matter," during which Executive delay in correcting the existing abuses, millions of dollars of revenue have been lost, and tens of millions of dollars filched from the pockets of consumers of sugar and taxpayers, through their continuance, it is refreshing to learn that "the Collector at San Francisco has been requested to report on Hawaiian sugars," and that "the decision will be made by the Department after the facts in regard to the matter shall have been ascertained, etc."

The "facts in regard to the matter" were thus to come, and did come, from the Collector at San Francisco, according to the Secretary's letter, and the late amazing decision is based thereon. However high the character of the Collector and his employes in the San Francisco Custom House may be, upon whose report of "the facts in regard to the matter" said decision was based, they are surrounded and beyond question influenced, by the satellites of Claus Spreckels, the great Sandwich Island and California Sugar King, who, with his confederates, nets from five to six millions of dollars profit per annum through sugars entered free of duty by Treaty subterfuges.

The Spreckel's sugar dynasty can richly afford to subsidize the entire force of employes in the Customs service at San Francisco, and continue its army of lobbyists at the capital of this nation to prevent legislation against these monstrous treaty abuses, out of the moneys thus extorted from the people annually, and laugh at the outlay, since through their efforts the report of the Collector at San Francisco, and the subsequent Treasury decision in December last admit semi-refined and refined Hawaiian sugars as "muscovado, brown, and other unrefined," and encourage and sanction their illicit traffic and the existing treaty abuses.

In view of the facts, it is evident that the Secretary of the Treasury should have executed the tariff laws by seizing the advanced sugars, and sustaining the New York officials in levying duty thereon, placing the matter before the legal tribunals of this country, and invoking the aid of Congress in order that this treaty abort may be modified or abrogated, and the existing abuses be abated forthwith throughout the country.

The official talk about a "question of fact," and "the facts in the matter" is sheer nonsense in view of the late decision; the real fact

is, the Government has long permitted itself to be humbugged by subordinates in this matter of free sugars, as well as in that of Cuban centrifugal frauds, and neglected to exercise its authorized supervision of free sugar entries on the Pacific Coast, which by almost imperceptible degrees have been changed from "muscovado, brown, and unrefined" or raw sugars, to vacuum-pan sugars, finished at various stages of refining up to No. 16 to 20 D. S. sugars, and are now endeavoring to justify their unfortunate official record.

Because these abuses germinated since the treaty of 1875 went into effect, and now flourish under arbitrary official sanction in violation of law, is no excuse for their continuance; it is a singularly vivid illustration of the marvellous propensity of officials for manipulating Congressional legislation, that the treaty with Hawaii now overrides our tariff laws, and all other sugar producing countries with which we hold commercial relations are thereby forced to pay tribute to the bounty-fed sugars of Hawaii, while American consumers are overcharged, and producers and refiners of sugar are compelled to pay heavy duties and yet compete with an enormous foreign sugar refining industry which enters this country untaxed through this treaty blunder, and the sugar coloration subterfuges practiced to evade our tariff in contiguous countries.

HENRY A. BROWN.

SAXONVILLE, MASS., *January*, 1883.

